

HOUSING AFFORDABILITY STATUTE IDEAS

1. Inclusionary zoning definitions, standards and process for implementation.

Inclusionary zoning can be an important tool under certain circumstances, particularly in communities like Park City and Moab, which have a primarily resort economy. It's very difficult to create affordable and attainable housing in those types of communities because market forces bend toward more profitable and expensive housing. However, inclusionary zoning in the U.S. has been used as a weapon against development and redevelopment, as well as a tool to extort concessions from developers and builders at the expense of affordability. Several states have passed statutes prohibiting inclusionary zoning of any type, which the development community in Utah believes would be a mistake. We would like to take a more nuanced approach that creates standards by which a land use authority can implement inclusionary zoning. It is also interesting to note that recently the Utah Property Rights Ombudsman issued an advisory opinion in Wasatch County that their inclusionary zoning ordinance was illegal because it was an "illegal exaction" that did not have an "essential nexus" to the project in question.

2. Prohibition of residential design standards under certain circumstances.

Residential design standards are a tool that some municipalities use to improve the overall aesthetic of developments in their communities. However, many times these are abused and lead to creating unnecessary costs, which increases the price of housing. In one case locally, a municipality requires full brick on the exterior of every home built since 2015, the addition of a third car garage as standard, among other things, essentially a \$50,000 - \$70,000 cost passed on the buyers. Many people are just priced out of the market because of these types of requirements. Several states have passed statutes prohibiting residential design standards, and, again, we would like to have a more nuanced approach. Tying improved design standards to density requirements and affordable housing would achieve multiple goals.

3. Essential nexus and segregated accounts for fees collected in a planning and building departments – transparency and publication of audits.

Many cities, in fact, most cities, collect much more in planning and building fees than what it costs to run the respective departments. We believe there should be a "rough proportionality" standard to fees (income) and expenses. The inequity of these fees that are charged up front get passed on to homebuyers, and city budgets are not an accurate reflection of costs. It's really a way for city councils, who are terrified of raising property taxes, to balance their budgets using fees. Make no mistake, every time a city charges a fee, it's just a tax, but one where the payor isn't yet a citizen, so there is no accountability. The unequal fees are passed on to buyers of new homes, making it more difficult to deliver affordable housing.

4. Massachusetts 40B Housing

"Under Chapter 40B, in any municipality where less than 10% of its housing qualifies as affordable under the law, a developer can build more densely than the municipal zoning bylaws would permit, allowing more units per acre of land when building a new development, if at least 25% (or 20% in certain cases) of the new units have long-term affordability restrictions." Wikipedia

5. Multi-family zoning as a conditional use on all properties master planned or zoned commercial, mixed use, retail, or office, that meet certain conditions (vacant for a certain period,

underperforming, etc.), and have had the zoning in place prior to 2017, as long as a portion is set aside for 50% & 80% AMI housing and some portion for underlying zone designation.

There are hundreds of properties along the Wasatch Front that have been “saved” by municipalities for commercial use, even though they are poorly located for such a use, or are old dilapidated and underperforming strip centers. These are prime properties for “mixed use” developments that incorporate residential use along with some retail or commercial element. The development community believes that there is a lot of value that could be unlocked if those properties could be developed, or redeveloped, as long as there was some type of set-aside for affordable, moderate or attainable housing.

6. Creation of a State Development Code Commission to regulate municipal infrastructure standards.

Each community has had the ability to create and enforce their own infrastructure standards. Some are very reasonable, some are very unreasonable, and there are a few in-between. There is a single Building Code Commission that reviews building codes statewide, yet each municipality can design their own road standards. Many times these are exorbitant and unnecessarily increase the cost of housing. For example, one city in Salt Lake County changed their road designs, and despite having an engineering report indicating it was unnecessary, the new standards increased the cost PER HOME by \$3,700. We believe a State Development Code Commission that is modeled after the Building Code Commission could bring consistency, predictability and efficiency, translating to lower costs being passed on to Utah homebuyers.